

A meeting of the Finance Committee at the Rhode Island Higher Education Assistance Authority was held on Friday, February 7, 2014 in the McKenna Conference Room of 560 Jefferson Boulevard, Warwick, Rhode Island, at 8:10 a.m.

Committee Members in attendance:

Dr. William Croasdale, Chair

Mr. Dennis Duffy

Mr. John Howell

Mr. Christopher Feisthamel, designee for General Treasurer Gina Raimondo

Mr. Daniel Egan

Committee Members absent:

Also attending:

Ms. Faith LaSalle

Mr. Robert Delaney

Ms. Gail Mance-Rios

Mr. Joseph Palumbo, Legal Counsel

Mr. Charles Miller

Mr. Marc Lacroix

Mr. Michael Joyce

Ms. Dana Peterson-Fatuda

Mr. Blake Collins

Ms. Laurie Brayton

Ms. Patia Bertram

Mr. David Salvatore

1. Dr. Croasdale called the meeting to order at 8:10 a.m.

2. Dr. Croasdale asked Ms. Mance-Rios to provide an overview of the House Oversight Hearing on the night prior. Ms. Mance-Rios explained the impact of the Ryan Murray Bill regarding the guaranty agency to Representative Marcello, and stated the information is included in the Finance Committee packets. Ms. Mance-Rios stated that the Committee had some questions and concerns and wants projections regarding the agency's bottom line. We are to provide projections for the next five years and the steps RIHEAA is taking in order to mitigate the loss of revenue from the reduction in the rehabs, stated Ms. Mance-Rios.

Ms. LaSalle stated that Representative Marcello wants to know the best estimate of when RIHEAA will no longer exist.

Ms. LaSalle stated that what Representative Marcello wants, is a five-year plan, he wants a plan that includes a reduction in personnel that matches the needs of the agency, and how that is going to reflect on the agency.

Mr. Howell stated that after speaking with Representative Marcello, Representative Marcello stated that he would take the \$5 mil per year and divide it between the state colleges. We need to come up with a plan before they make the decision for RIHEAA.

Mr. Palumbo remarked that the Legislature has stated their position on the reserves and where the money should go, and it is for student financial assistance.

Ms. LaSalle stated that she would like to have the following material before the next Board Meeting:

- The financial numbers of a five year plan**
- Sallie Mae contract with and without extension costs**
- Spreadsheet with direct revenue, direct expenses for waytogo, S&G, CBF and the Guaranty agency. Net operating losses and net operating profit.**

Ms. LaSalle asked if the Finance Committee could meet next week to review this report. Dr. Croasdale proposed Friday, February 14th at 8:00 a.m.

Mr. Delaney asked if we could go out to bid for the AllianceBernstein contract. Ms. Mance-Rios stated that we do not have to go out to bid. But, stated Mr. Palumbo in the last round of talks, based on information from an independent consultant, we do not necessarily have to go out to bid. However, the board should give this

considerable thought.

3. Reconciliation Update: Mr. Lacroix stated that the reconciliation is completed. Mr. Lacroix stated that when they wrote up the cash as of June 30th, we took that as revenue of the guaranty agency. It turns out all of the uncashed checks were uncashed grant checks, so we reversed those dollars out of the guaranty agency, it is now in the S&G pool to give additional grants awards in the current year.

4. Review Compliance Oversight: Ms. Mance-Rios stated that she is working with Attorney Palumbo to review contract language from LGC&D for the compliance oversight of the Accounting department.

There being no further business to come before the Committee, meeting adjourned at 9:30 a.m.